

To the Members of the California State Assembly:

I am returning Assembly Bill 2086 without my signature.

This bill would exempt specific county providers from the continuing enrollment process in the Medi-Cal program and thus would undermine the Administration's Medi-Cal Anti-Fraud Program and jeopardize the fiscal integrity of the program. Federal Medicaid statute requires all providers, including counties, to provide up-to-date, factual information to support their continuing eligibility as Medi-Cal providers. If a federal audit reveals that the Department of Health Services (DHS) did not obtain the required information, the consequence could be the loss of Federal Financial Participation.

The bill's language that exempts county-owned Federally Qualified Health Centers from the requirement to submit re-enrollment documentation to the state is contrary to federal law. The DHS is the single state agency for the Medicaid program and is charged with implementing program controls for the Medi-Cal program, including the maintenance of accurate records for all providers. If these controls are not in place the state risks the loss of millions of dollars in federal program funds.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger